



City of San Antonio

Agenda Memorandum

File Number:21-4162

Agenda Item Number: 22.

Agenda Date: 6/10/2021

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Execution of a Development Agreement for the Elmira Apartments Project located at 1126 E. Elmira St., in Council District 1.

SUMMARY:

This ordinance authorizes the execution of a Development Agreement between the Midtown TIRZ Board of Directors, Broadway SA Investors, GP, LLC, and the City of San Antonio to reimburse for eligible public improvements and associated fees for streets, sidewalks, utilities, lighting, and landscaping for an amount not to exceed \$500,000 for the Elmira Street Apartments Project located at 1126 E. Elmira Street in Council District 1.

BACKGROUND INFORMATION:

The Elmira Street Apartments project is the construction of a new seven-story mixed-use midrise residential building within the boundary of the Midtown TIRZ. This new development will replace a surface parking lot and includes 260 market rate units, structured parking with 507 spaces, and 6,600 square feet of retail space on the ground floor. It will also feature several amenities such as a coworking space, pool, dog park, and fitness center. The total development cost is approximately \$80 million.

This project is anticipated to begin in March 2022 and estimated to be completed by December 31, 2024.

The City executed a Center City Housing Incentive Policy (CCHIP) agreement with Broadway SA Investors in December of 2020. This is the last CCHIP agreement that was executed before the CCHIP program expired on December 13, 2020. Per the policy, the project will receive a 10-year, 75% property tax rebate on city ad

valorem taxes. The project will also contribute approximately \$1,045,000 to the Affordable Housing Fund which will incentivize future affordable housing projects. The project is also eligible for an impact fee waiver of \$500,000, which would exhaust the remaining SAWS fee waiver allocation for FY2021. In an effort to preserve the fee waiver capacity for other housing projects, City staff recommended that the Midtown TIRZ provide funds equal to the value of the fee waiver amount they are eligible to receive per the CCHIP. These funds will be used to offset costs associated with eligible public improvements and associated fees.

As part of the project, the developer will make public improvements including street repaving, new sidewalks, landscaping with Low Impact Development features, public walkways including new connections from street level to the River Walk, utility relocations and utility upgrades. The estimated cost of these improvements is \$2.2 million.

ISSUE:

At the request of City staff, Broadway SA Investors GP, LLC is requesting TIRZ funding for eligible public improvements and associated fees for streets, sidewalks, utilities, lighting, and landscaping for an amount not to exceed \$500,000. The reimbursement will be structured through a Development Agreement.

On May 11, 2021, the Midtown TIRZ board approved a Resolution for a Development Agreement between the Midtown TIRZ Board of Directors, Broadway SA Investors, GP, LLC, and the City of San Antonio for an amount not to exceed \$500,000 for the Elmira Apartments Project located at 1126 E. Elmira St., in City Council District 1.

City Council consideration is requested for the approval of the Development Agreement.

ALTERNATIVES:

If City Council chooses not to approve the Development Agreement, Broadway SA Investors, GP, LLC, will need to seek an alternate funding source for the \$500,000 help with the public improvements and associated fees for streets, sidewalks, utilities, lighting, and landscaping. Staff could take the allocation from the FY 2021 SAWS Fee Waiver budget, but that would deplete the fee waiver budget for the remainder of the fiscal year and prevent these funds from being allocated to other housing projects.

FISCAL IMPACT:

Funding for this agreement is available in the Midtown TIRZ fund balance. There will be no impact to the General Fund.

RECOMMENDATION:

Staff recommends approval of the Development Agreement with the Midtown TIRZ Board of Directors, Broadway SA Investors, GP, LLC, and the City of San Antonio in an amount not to exceed \$500,000 for the Elmira Street Apartments Project located at 1126 E. Elmira St., in Council District 1.